



JUNIOR ISA GUIDE



Launched in April 2016, Wealthify provides Britons with an effortless way to invest their money without the need for any experience.

Since 1999, Individual Savings Accounts (ISAs) have been a popular choice for people who want to save or invest in a tax-efficient way. But in 2011 there was a new kid in town with the launch of Junior ISAs.

WHAT IS A JUNIOR ISA?

A Junior ISA is a tax-efficient children's savings or investment account which allows you to put aside up to £4,368 a year on behalf of your child, to give them a head start when it comes to their financial future.

You can choose to make a one-off deposit or set up a monthly Direct Debit, as long as you don't exceed the annual allowance.

THERE ARE TWO TYPES OF JUNIOR ISAS:

- **A Junior Cash ISA** – A Junior Cash ISA is like a bank or building society savings account – but neither you or your child will pay tax on any interest they earn on their savings. Unlike a regular savings account, you cannot withdraw money from a Junior Cash ISA and the child will only be able to access the money held in a Junior Cash ISA when they turn 18.
- **Junior Stocks and Shares ISA** – Contributions made on behalf of your child are used to buy various types of investments and they don't pay tax on any capital growth, interest or dividends they receive. This is riskier than a Junior Cash ISA, as the value of the Junior Stocks and Shares ISA can go down as well as up.

Your child can have one Junior Cash ISA **and** one Junior Stocks and Shares ISA – but the total combined value of both accounts cannot be more than their annual tax-free Junior ISA allowance.

A note about Child Trust Funds

A child cannot have a Junior ISA if they already have a Child Trust Fund (CTF). See '**Transferring a Child Trust Fund**' for more information.





INTRODUCING A JUNIOR STOCKS AND SHARES ISA WITH WEALTHIFY

If you want to invest in your child's future, we now provide a Junior Stocks and Shares ISA.

This is a great option if you're looking to save or invest over the long-term, as it can offer more potential for growth compared to a Junior Cash ISA, where inflation could eat away at any interest your child could make.

If you already have a Junior Cash ISA, you can still open a Wealthify Junior Stocks and Shares ISA as your child can have both. You just need to make sure that the combined amount you pay into both Junior ISAs does not exceed the annual limit.

INVESTING WITH US AT A GLANCE.

- We offer a tax efficient way to invest for your child
- You can invest up to £4,368 per year
- We manage your child's Junior ISA and make all investing decisions on their behalf
- We offer a mix of global investments, giving your child a diversified investment Plan
- 24/7 access to your account online or via our mobile app

INVESTING FOR YOUR CHILD'S FUTURE

As a parent or guardian, you can open a Junior ISA for your child to help them on the right track to a healthy financial future. They need to be under 18 years old and live in the UK and they can't already have a Child Trust Fund (CTF). If they do have a CTF you can transfer the balance to a Wealthify Junior Stocks and Shares ISA – but we'll cover that off later.

You can start a plan from birth, up until your child is 18 years old.

If you're starting a brand new Junior Stocks and Shares ISA for your child who is over 13, please remember that investments should typically be held for a minimum of 5 years. So you may wish to consider investing in a Junior Cash ISA instead. Wealthify doesn't currently offer a Junior Cash ISA.

THE ROLE OF THE REGISTERED CONTACT

The registered contact is the person who opens the Junior ISA. They must be the child's parent or legal guardian and evidence may be requested to prove this.

As a registered contact, you'll be responsible for maintaining the Junior ISA account. This means you'll need to keep any documents about the account stored safely and you'll need to let us know if any of your details change, as we need to be able to contact you and your child when they reach 18.

MAKING FLEXIBLE PAYMENTS WORK FOR YOU

A Wealthify Junior Stocks & Shares ISA provides you with a flexible way to invest for your child.

You can choose how much and how often to pay money into your child's Junior ISA. Whether you want to invest monthly by Direct Debit, or top-up their Plan when you can – we've made it really simple for you to do both.

To add money into your child's Plan, just click on the 'Top-up' button when you sign in to your Wealthify account.

If your child receives money as a gift for their birthday or at Christmas, you could use this to boost their Plan. You just need to make sure that any payments you make come from the bank account you have registered with us.

PLAN FOR DIFFERENT LIFE STAGES

Any money you invest into a Junior Stocks and Shares ISA will belong to the child and they will only have access to it when they turn 18. This means that once it's invested you cannot get it back.

Instead, it'll be locked away and they'll be able to use it towards funding their further education, buying their first car, putting a deposit down on a house or use it to travel. Whatever they choose to do, the money is theirs and the world is their oyster.

Once your child turns 18, the Junior ISA will mature into an adult ISA. They can then choose to withdraw their money or keep on investing.

TRANSFERRING AN EXISTING JUNIOR ISA

Unlike adult ISAs where you can open a new one every tax year, a child's Junior ISA is slightly different.

A child can only have one Junior Stocks and Shares ISA and one Junior Cash ISA and the total contributions in the tax year can't exceed the Junior ISA annual allowance. When a new tax year begins, the allowance is re-set and you can continue to make contributions.

If you'd like to open a Wealthify Junior ISA but your child already has a Junior Stocks and Shares ISA with another provider, you'll need to transfer that existing Junior ISA to us by using our simple transfer form.





TRANSFERRING A CHILD TRUST FUND

If your child was born between 1st September 2002 and 2 January 2011, they would have automatically been given a Child Trust Fund, but this was stopped in 2011 and Junior ISAs were introduced.

If your child has a Child Trust Fund, you can still open a Wealthify Junior ISA by transferring the balance over to us using our simple transfer form. By using the form, any money you transfer will keep its tax-efficient status and once completed, the Child Trust Fund will be closed.

HOW DOES MY CHILD ACCESS THEIR MONEY?

Around your child's 16th birthday, we'll contact you to ask for their National Insurance Number. This information will be added to your child's Plan so that we can confirm their identity, ready for when they turn 18.

When your child turns 18, all account responsibility will pass to them and they'll need to contact us and let us know what they'd like to do with their Plan. Once we've confirmed their details, they'll be able to access their money or keep it invested. The choice is theirs.

TAX ADVANTAGES

A Junior ISA allows you to save or invest on behalf of your child without paying tax on any interest, dividends or capital gains they earn. It pays to take full advantage of the tax-free allowance if you can, since you won't be able to 'roll it over' into the next year.

Saving or investing into a Junior ISA on behalf of your children does not affect your own annual ISA allowance.

IS A JUNIOR ISA SAFE?

The investments within your Junior ISA will be held with Winterflood Securities Limited, who act as custodian for our customers' money. They're a global financial services provider, regulated by the Financial Conduct Authority (FCA) and part of Close Brothers Group, who have been trading for more than 130 years. They hold your cash and investments separately from their own (ring fenced) in accordance with the FCA's client asset rules, so even if Wealthify went into administration, our creditors would not have a claim to your investments.

Wealthify is authorised and regulated by the Financial Conduct Authority (FCA) and covered by the Financial Services Compensation Scheme (FSCS).

IF YOU ARE UNHAPPY WITH OUR SERVICE

Our aim is to provide you with an excellent service at all times. If you're unhappy with our service and wish to make a complaint, you can contact us via our website, call us on 0800 802 1800, or write to us at: Wealthify, Tec Marina, Terra Nova Way, Penarth CF64 1SA.

We'll deal with your complaint as fairly and quickly as we can and in accordance with our regulator, the FCA's, requirements.

If you aren't happy with the way we've dealt with your case you're likely to be able to refer your complaint to the **Financial Ombudsman Service** (but remember that the Ombudsman won't look at a complaint until it has been raised with us and we've had reasonable time to investigate and respond).

Our complaints policy is [here](#).



Wealthify's 5 Star rated Digital Wealth Management proposition offers ISAs and a general investment account.

